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ABSTRACT

As part of the Administrative Team Career Development Series, this booklet outlines several factors to consider in establishing compensation structures for school district administrators. Such structures must balance the needs and interests of the employee, the school system, and the public. Salary, working conditions, and fringe benefits must all be considered in promoting fair treatment of administrators and fostering productivity, loyalty, and high morale. Steps for evaluating a district's current compensation structure should include rating each administrative position according to equity, rationality, competitiveness, retention, job performance, responsiveness, and career growth. After the monetary value of each position is determined, districts can develop their compensation plan using one of five alternatives--the traditional single-step schedule, a traditional schedule with steps based on merit, a traditional schedule with noncumulative performance awards, a traditional schedule with cumulative performance awards, and a variable schedule. The variable compensation schedule is generally the most responsive to district needs, but it adds administrative problems. Districts must also consider factors such as "grandfather" clauses, transition, union contracts, and market forces. Additionally, it is suggested that further study be undertaken by school board members, superintendents and administrative personnel, incorporating information from the AASA/NSBA publication "Compensating the Administrative Team--Full Report." (HMJ)

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Compensating the Administrative Team

*Prepared for The AASA Committee for the Advancement
of School Administration (CASA). Reviewed and
Approved by the Joint AASA-NSBA Committee*

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Administrative Team Development Series

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Selecting the Administrative Team
The Board's Role in Selecting the Administrative Team
Compensating the Administrative Team
Compensating the Administrative Team (Full Report)

Superintendent Career Development Series

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Compensating the Administrative Team

What should you be paying members of your administrative team? As a member of that team, what should you expect? While there are no pat answers to these questions, *Compensating the Administrative Team* provides a framework for dealing with these concerns.

Compensating central and building level administrators involves more than setting a salary. A compensation program that will attract and retain a high quality administrative staff must be competitive. It must provide appropriate benefits, assure that the compensation is right for the position and for the community, help to tailor the compensation agreement to the person who holds the position, and couple that process with a sound evaluation system.

This publication is a resource document, developed for the AASA Committee for the Advancement of School Administration (CASA) by the firm of Peat, Marwick, Mitchell and Co. *Compensating the Administrative Team* does not provide an answer to fit every situation. It does, however, present a wealth of ideas that can be put to use in creating the right compensation system for your school district.

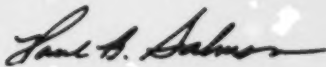
Ultimately, a compensation system must be based upon a balance involving the needs and interests of the employee, the school system and the public. Of course, any compensation

program should enable a school district to build the type of administrative team that will give leadership to high quality education.

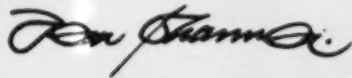
As part of a continuing cooperative relationship between the American Association of School Administrators and the National School Boards Association, this publication has been reviewed and approved by the Joint AASA-NSBA Committee. Therefore, it reflects the views of both administrators and school board members.

We urge you to study this publication. Whether you are a member of the administrative team or a school board member, we believe you will find it useful in developing an effective compensation program. You may also wish to consult with your state school administrator and school board associations to gain insights into key issues and collect comparative data.

And as you develop your plan, keep in mind that high quality leadership is an essential first step in assuring high quality education for students.



Paul B. Salmon
Executive Director
American Association
of School Administrators



Thomas A. Shannon
Executive Director
National School
Boards Association

Introduction

Years ago, determining how much to pay someone was a relatively simple matter. A school board chairman, or occasionally the full school board, interviewed a prospective teacher, usually in one of the board member's homes. At the end of the interview, the board told the prospective teacher what it would pay. Sometimes, negotiations ensued. In some instances, free room and board or other fringe benefits augmented the salary. Often, a handshake consummated the agreement. In those times, there were no salary schedules, contracts, tenure, seniority, certification, career ladders, promotions, sick leave, insurance benefits or unions.

However, things today are vastly more complex. Education is big business.

Unfortunately, while many of the trappings of an earlier age have changed, our thinking about them has not. Most of the 16,000 school districts in the United States are small, enrolling fewer than 1,000 pupils. Many of these small districts are now caught up in changes that their urban counterparts faced fifty years ago. Management roles are becoming increasingly complex. Job discrimination suits and union efforts to expand into some management positions have forced us to reconsider the nature of compensation and fringe benefits for the administrative team.

Compensation involves more than giving a dollar value to a position, although that determination alone is often difficult because salary, working conditions and fringe benefits all must be considered. Developing a compensation plan for an entire district can be even more difficult. The value of an individual position and the scaling of the values of various positions in a total compensation structure must enable an organization to treat people fairly and must foster productivity, loyalty and high morale. Compensation becomes, then, not only a short-term reward for an employee or an expenditure for an organization, but also a policy instrument. As such, a compensation structure affects the future of an enterprise. And in this respect, it is an investment in the organization.

School boards and school administrators are just beginning to appreciate fully that a well-designed compensation structure can enhance the effectiveness of their school district's operations. Compensation consumes more than 80 percent of the total cost of education. Therefore, the compensation structure affects the single most costly portion of school budgets.

This publication describes how school boards or school superintendents can assess their current compensation structure for the administrative team. It also presents steps for constructing a sound compensation plan. For the school districts wanting to examine their compensation structure in depth, the larger and more comprehensive AASA-NSBA publication *Compensating the Administrative Team — Full Report* should be required reading.

Evaluating Your Compensation Structure

Have you heard comments like these in your school district recently?

- "My job is the same as hers, yet she earns more than I do."
- "There's no comparison between what we do and what they do. The salary difference between our jobs is so little that I should go back and get what they get and forget about this job."
- "We can't hold people here with that kind of skill. We lose them every time to XYZ district or industry."
- "Why should I beat my brains out on this job? I just put in my time. There's no place to go here but out."
- "I don't do anything extra around here because so and so doesn't either and she got a raise anyway."

Although comments like these may reflect normal griping, they also can indicate a serious problem with a district's compensation structure. If you think you might have a problem or want to know if you do, here is a way to find out.

SEVEN CHARACTERISTICS OF A HEALTHY COMPENSATION STRUCTURE

Your "compensation structure" reflects the ability of your school district to pay people for what they do. It also spells out the range of skills and services necessary to carry out the work of the school district effectively, efficiently and without interruption, loss of morale or reduced work performance. A compensation structure is, therefore, a means to an end — a method by which work is valued. To be effective, a compensation structure should meet seven standards.

1. Equity — The first characteristic of a healthy compensation structure is that people are paid similar amounts for similar jobs. The concept of equity **does not mean** that two people with like jobs **must** receive **equal** amounts. However, equity does mean that serious salary discrepancies will not exist among people holding similar jobs with similar tasks, duties, responsibilities and qualifications.

A quick way to decide if equity exists is to group people in your district with others holding similar titles. For example:

- Director of Transportation
- Director of Food Service
- Director of Maintenance
- Director of Buildings and Grounds

Next check the salary level for each position and list the salary you would expect to pay after 2½ years (to eliminate probationary periods or trainees). Then find the average salary for these positions. If any person's salary is less than 90 percent of this average or exceeds 110 percent, your district's compensation structure may have an equity problem. The 90 to 110 percent range equals approximately one statistical standard deviation and is a good benchmark to use in deciding if your district's compensation structure is equitable.

2. Rationality — This standard reflects whether your compensation structure reinforces organizational relationships and communication channels between supervisors and

subordinates. If your compensation structure does not, it may create friction and disharmony in the day-to-day operation of the school system.

One of the most common problems of rationality is compensation compression — subordinates' salaries "bumping" or squeezing those of supervisors. Compression may occur because some employees are more aggressive than others or because salaries in the private sector may be higher for particular jobs, pushing higher the salary the district must pay to stay competitive.

Compensation compression reduces the range between job levels. Those people in a higher position may wonder why they are putting in more time, working harder and have broader responsibility, yet only a little more pay. Weakened morale and lower job productivity may result.

To discern whether compression exists, compare two titles such as Director of Transportation and Assistant Director of Transportation. (Be sure the positions you are comparing are both being compensated on the same basis — a 10-month or 12-month work year.) Next, divide the director's salary by the assistant director's salary. If the answer is less than 1.1, you may have a compression problem. A basic personnel administration rule (used by the U.S. Office of Personnel Management) states that a supervisor should earn at least 10 percent more than a subordinate to reinforce the supervisory relationship effectively.

3. Competitiveness — Your compensation structure must compete or your district may not attract and retain the most competent employees. To determine your district's competitiveness, select any given job title and compare the salary to those in other nearby districts that compete for the same people.

After the comparisons are made, significant deficiencies should be remedied or offsetting benefits provided.

One symptom of a district's lack of competitiveness is a large percentage of highly qualified candidates rejecting employment there to work elsewhere or a high turnover in a particular kind of job.

Turnover can be camouflaged. Nevertheless, if job incumbents in your district, particularly those most highly skilled, end up somewhere else making more money in a similar position, you may have a competition problem.

High turnover has a cost all its own. New people spend more time learning the job and less in high performance. High turnover often produces work disruption, weakened morale and lowered productivity.

4. Retention — One of the most important functions of a compensation structure is to retain qualified employees. That means minimizing job turnover.

To assess whether your compensation structure keeps turnover to a minimum, determine the total number of positions in a job category and then the total number of replacements in one year. Divide the number of replacements by the number of positions. If the answer is greater than 15 percent, you may have a retention problem.

5. Job Performance — The major purpose of a compensation structure is maximizing job performance. In many districts, however, performance and pay are not closely enough related. This may be especially true for jobs that require initiative and judgment for effectiveness.

If you want to know whether job performance is rewarded in your district, pull the personnel files of three or more administrative personnel who have been in the same job for two to five years. Rank them from the best to the worst performer. Then, divide the current salary of each by the salary each received two to five years ago. Compare the relative performance with the rate of pay increases. If the compensation of poor performers rose more quickly or as quickly as that of good or outstanding performers, then your compensation structure does not reward high performance.

Nothing speaks more loudly to employees than insensitivity to the quality of their work. People generally know who puts in the extra mile, who spends more time making sure the job is done right and who consistently performs well. Ignoring these qualities in a compensation structure not only disheartens the high performers but also sends a message to

others. If they read the message as "It won't make any difference anyway," the school district loses. Such a situation reinforces mediocre performance by establishing it as the norm.

6. Responsiveness — If your compensation structure meets the standard of responsiveness, it will retain an employee's purchasing power over time. This means that employee raises intended to minimize turnover and promote job performance also consider the impact of inflation. One way of measuring responsiveness is by comparing annual salary increases with the Consumer Price Index and the average increases of other districts in your area. Yearly increases should equal at least one half the CPI and be comparable to increases in other districts. (The 50 percent threshold is recommended because the aggregate measures in the CPI overstate the true impact of inflation on administrative personnel.)

7. Career Growth — The last standard for determining the health of your compensation structure is the possibility for career growth in your school district. Very small districts may find this a particular problem. However, size will not do away with the problem. People want to grow and develop their abilities. Career growth possibilities diminish boredom and maintain vitality in a job.

To assess career growth in 1981, begin by determining the number of administrative personnel employed in 1976. Find how many have continued their employment with the district and how many have been promoted at least once during the five-year period. Then, select an earlier five-year period and calculate the same ratio. If the percentage of those hired in 1976 who continued their employment at a promoted level into 1981 is less than the same calculation for the earlier five-year period, then the district may not have adequate longitudinal career development opportunities built into its compensation structure. Other factors, such as declining enrollment, will, however, restrict a district's ability to provide career opportunities.

RATING YOUR DISTRICT'S COMPENSATION STRUCTURE

To determine whether your district's administrative team compensation structure is adequate, use the diagnostic profile that follows. Rate your total compensation structure including all certified/classified positions (from assistant principal to deputy superintendent) in your district on each of the seven characteristics, according to the numerical ratings given.

The rough series of guidelines will help you assess the results. If you rate any characteristic as 3 to 5, it merits study.

A Diagnostic Profile of Your District's Compensation Structure

Directions: Rate your district's compensation structure on the seven characteristics already described using the legend shown below:

- Legend:** 0 = not a problem
1 = a minor or rare problem
2 = an occasional problem
3 = a moderately serious problem
4 = a serious and frequent problem
5 = a chronic and severe problem

Characteristic	Symptom	Your Rating of Problem Severity (circle rating)
1. Equity	Large variations in rates of pay for "like" jobs outside the 90-110 percent expected range	0 1 2 3 4 5
2. Rationality	Salary compression which is less than 1:1 between position pairings you selected	0 1 2 3 4 5
3. Competitiveness	Your district's salary ranges are not comparable to other districts and similar jobs	0 1 2 3 4 5
4. Retention	Replacements exceed positions by 15 percent or more	0 1 2 3 4 5
5. Job Performance	Compensation record shows poor job performers rising faster than good performers	0 1 2 3 4 5

6. Responsiveness	Salary increases are less than 50 percent of the regionally adjusted CPI	0 1 2 3 4 5
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7. Career Growth	Trend calculation of five-year intervals shows fewer retentions as promoted at least once from one period to the next	0 1 2 3 4 5
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Your Total Score _____

Guidelines to Assess the Results

Range	Comment
0-7	Very few problems. Some fine tuning may be required.
8-14	Minor to occasional problems. Some minor adjustments may be necessary (unless any one symptom is rated 3-5 separately).
15-21	Some real and potentially troublesome problems exist in your compensation structure.
22-27	Your compensation structure has some serious problems and inadequacies.
28-35	A compensation structure in this range is exhibiting chronic and severe problems calling for immediate amelioration.

Developing a Job Classification Plan

The steps in creating a workable job classification plan are: defining individual jobs, relating jobs to one another and assigning pay ranges (monetary values) to the jobs.

DEFINING JOBS

Perhaps the most common method for defining jobs is the ubiquitous "job description." A job description attempts to define the boundaries of a position by describing what a person is expected to do, what he/she is responsible for and to whom he/she reports.

The potpourri of activities, responsibilities and authority relationships that constitute a typical job description is not as useful as a clean description of duties or functions carefully analyzed from each of seven factors. These factors form the base for defining a job. The factors are:

- **Educational Requirements** — The level of formal education or its equivalent required to successfully carry out the tasks stated or implied in the job.
- **Experience** — What prior work experience appears to be required to adequately perform the tasks stated or implied in the job.

-
- **Position Complexity and Required Judgment** — The judgments necessary to do the job successfully and the complexity, novelty and magnitude of job-related problems expected to occur within likely job constraints, such as time available for decisionmaking.
 - **Supervision** — The extent to which a person is responsible for monitoring and directing the work of others. The estimate should include the number of employees reporting directly or indirectly to the person performing the supervision.
 - **Consultation and Guidance** — The importance of the work and its impact to significant decisions made by other employees and the public.
 - **Independence of Action** — The extent to which persons are required to work on their own.
 - **Impact** — The effect the job may be expected to have on the overall management of the school district and its programs. (See page 20 for a sample of a well-conceived job description.)

RELATING JOBS TO ONE ANOTHER

Jobs should be rated and then ranked hierarchically. The ranking process can be as sophisticated or as simple as required. What is important is establishing a reliable and uniform approach to defining jobs and relating them one to the other. A uniform and specific factoring system is available from AASA/NSBA in the publication *Compensating the Administrative Term — Full Report*.

Whatever approach is used, each job should be rated against one factor at a time, i.e., all jobs rated for the first factor, then the second, etc. This method not only raises the level of consistency but also allows the evaluator to assess the relative value of each job to one factor at a time, thus improving the accuracy of the analysis.

DETERMINING THE MONETARY VALUE OF A JOB

The simple precision of the monetary system often belies the complex factors that must be considered when a monetary value is affixed to a job. The extreme sensitivity of people to such a linkage testifies to the difficulty, complexity and impact of the decisions made in this area. Regrettably, our society often confuses the worth of a job with the worth of a person. Employees sometimes have a tendency to see themselves as "just a principal" or "just a manager of transportation."

In the process of defining a compensation structure, you are evaluating the value of a set of skills and the impact of performing those skills in a planned and repetitive manner. Rather than asking "Who is more important here, the high school principal or the director of curriculum?" each position should be analyzed against the seven factors discussed earlier and a pay range established that is competitive, equitable, rational and responsive.

PROFESSIONAL STAFF POSITIONS

TITLE:

Principal - Junior High School and Senior High School

EVALUATED BY:

Assistant Superintendent of Schools

BASIC FUNCTIONS:

The School Principal reports to the Assistant Superintendent of Schools and under his/her direction performs administrative and management functions in carrying out day-to-day operational and educational missions of the school and District in accordance with applicable law and educational policies of the Board of Trustees.

TYPICAL RESPONSIBILITIES:

1. Establishes overall short and long-range educational purposes and goals for the school consistent with district policy.
2. Enforces all courses of study as adopted by the Board of Trustees including the use of textbooks and other instructional materials, in content, scope, and sequence through the evaluation and staff development process.
3. Provides leadership through inservice training programs for the development of curriculum and improvement of instruction.
4. Develops and maintains a continuing articulation program with appropriate feeder junior high or elementary schools.
5. Develops instructional objectives for annual school standards of expected student progress for certificated staff.
6. Conducts visitations and evaluates instructional objectives for certificated staff.
7. Develops school objectives for noninstructional duties for certificated staff.
8. Conducts visitations and assesses noninstructional duties of certificated staff.

9. Supervises the performance of all certificated personnel assigned to the school and provides pertinent advice as needed.
10. Recommends employment, promotion, transfer, reassignment and termination of all personnel.
11. Selects, assigns and trains department chairpersons.
12. Administers the appropriate labor contract for teachers, counselors and classified personnel in accordance with district guidelines.
13. Develops, organizes and adjusts as necessary school practices, procedures, rules and regulations to ensure consistent and maximum effectiveness within the local school.
14. Provides expert advice and assistance to local school personnel in all subject matter areas, affairs of the District and/or affairs of the school where he/she serves as educational leader.
15. Interprets, implements and enforces all policies adopted by the Board of Trustees.
16. Directs the development and administration of the school operating budget (instructional and capital outlay) within guidelines provided by the business office.
17. Evaluates condition of buildings, grounds and equipment and initiates necessary corrections and repairs.
18. Develops, implements, monitors and evaluates programs by which staff can communicate with parents and community.
19. Establishes and/or enforces district policies and written school rules and regulations relative to student discipline.
20. Attends and participates in weekly Principal/Staff meetings.
21. Provides for liaison and communication between school and community, staff and students, including P.T.A., writing and printing handbook, booster clubs, United Fund, service clubs, churches and other areas.
22. Performs other job related duties as required.

Developing A Compensation Plan

The relationship between performance and compensation is a central consideration in constructing a compensation plan. The most visible aspect of compensation (which includes fringe benefits and working conditions) is salary. There are five basic alternative approaches to determining salary within a total compensation plan. These are:

- traditional single step salary schedule
- traditional salary schedule with steps based on merit
- traditional salary schedule with noncumulative monetary performance award
- traditional salary schedule with cumulative monetary performance award (flexible steps)
- variable compensation

THE TRADITIONAL SALARY SCHEDULE

The traditional salary schedule is called a "step plan." The step plan approach occurs when salary increases automatically on a semiannual or annual basis as experience (seniority) accrues on the job. The traditional salary schedule enables salary advancement to be sensitive both to experience and to advanced formal education/degrees. However, it has

been criticized as unresponsive to the employee's actual job performance. And if the administrators' salary schedule is based on the teachers' salary schedule, a conflict of interest might arise.

In recent years, the trend has been away from automatic step plans in educational administration. Administrative salary schedules frequently have been separated from those of the teachers, and boards and superintendents have pressed administrative staff to show a greater relationship between performance/product and pay.

Each approach to developing a compensation plan has been ranked on a five-point scale on the seven criteria for assessing the overall adequacy of a compensation structure. This ranking (shown on page 26) is summarized below:

- **Traditional Single Step Salary Schedule** — This approach is strong on characteristics of equity and rationality, but little else. The traditional step salary schedule inhibits competitiveness and is a strong negative influence on the factors of job performance and career growth.
- **Traditional Salary Schedule With Steps Based on Merit** — This approach retains the equity and rationality features of the first and most common approach, but is more sensitive to competitiveness, retention, job performance and career growth.
- **Traditional Salary Schedule With Noncumulative Monetary Performance Award** — This approach is not much different in overall rating to the schedule with merit except that a bonus or one-time payment is not attached to the salary base. Therefore, it serves to reward job performance each year and restimulates that performance because it is not automatic.
- **Traditional Salary Schedule With Cumulative Monetary Performance Award (flexible steps)** — The flexible step approach uses the traditional salary schedule but also

introduces the possibility of more than a one-step advancement based on performance. Outstanding performance may be rewarded with two or more steps at one time.

While this possibility establishes a direct link between job performance and salary and provides a measure of job security with a strong base salary, its disadvantage is that it may over reward an administrator for a single year's performance. For example, if each step on the salary schedule were worth \$1,500 and an administrator were advanced three steps, the total amount earned in one year would be \$4,500. Suppose that this advancement comes at midcareer and that the same administrator works twenty more years. In twenty years, a three-step advancement would be worth \$90,000. The thought of a \$90,000 monetary award for one year's performance discourages use of this alternative.

The difference between the traditional salary schedule with cumulative and noncumulative monetary awards is shown in the chart on page 26. While both plans rate a plus eight, the cumulative flexible step approach rates higher on responsiveness and career growth, but lower on the characteristic of equity than the noncumulative approach.

- **Variable Compensation** — This approach is the most responsive to the seven characteristics. A variable compensation plan is equitable in a different manner than the first three approaches. Variable compensation plans focus on job outcomes, results rather than processes or inputs. This strategic shift forces a re-examination of the concept of equity. Equity becomes not "like jobs" but "like results." Persons are paid similar amounts based on similar results. Thus, two directors are paid on the results they attain in their respective jobs. Variable compensation plans strongly reinforce rationality, competitiveness, retention, job performance and career growth. An open and visible relationship between job performance and compensation strongly affects five of the seven characteristics.

Rating the Five Approaches to Compensation

Approach	Equity	Rationality	Competitiveness	Retention	Job Performance	Responsiveness	Career Growth	Total
Traditional Salary Schedule	+2	+1	-1	-1	-2	0	-2	-3
Traditional Salary Schedule with Steps Based on Merit	+2	+1	+1	+1	+1	0	+1	+7
Traditional Salary Schedule with Non-cumulative Monetary Performance Award	+2	+1	+1	+1	+2	0	+1	+8
Traditional Salary Schedule with Cumulative Monetary Performance Award	-1	0	+1	+2	+2	+2	+2	+8
Variable Compensation	+2	+2	+2	+2	+2	0	+2	+12

Legend

+2 = strong reinforcer
+1 = positive reinforcer

0 = neutral, will not add or detract
-1 = tends to impact negatively
-2 = major inhibitor

With the obvious superiority of a variable compensation plan, why aren't such plans dominant? The answer lies in the problems of its administration.

The traditional salary plan is the easiest to administer. It requires little subjective judgment and places little emphasis on job performance. This simplicity of administration compensates for the insensitivity to job performance, unresponsiveness to pressures to be competitive and lack of accommodation for career growth.

The traditional salary plan with merit maintains some features of ease of administration and allows for sensitivity to job performance. However, poorly designed merit plans may foster too much internal competition and lead to excessive insecurity and lowered morale, resulting in a loss of productivity.

A total variable compensation plan is the most subjective (subjectivity is not necessarily a vice), difficult to administer and demanding on district resources. The approach has been used successfully in systems that have adopted sophisticated personnel management techniques.

WHAT TO CONSIDER IN IMPLEMENTING A NEW COMPENSATION PLAN

Once you have found the weaknesses in your existing compensation plan and have developed a new one to take its place, you should consider four factors about implementation.

- **Grandfathering** — The practice of retaining incumbents in a position under the rules, regulations and policies of the old compensation/classification system after switching to a new system. As incumbents leave the positions, all new employees must adhere to the new compensation system.
- **Transition** — The planned change to the new classification and compensation system over time. Transition may include such policy considerations as grandfathering employees. The point of transition is to mitigate the nega-

tive impact of putting a new system into operation abruptly. Gradual transition minimizes disruptions and employee dissatisfaction.

- **Union Contracts** — Job seniority, pay and changes in job content are often part of union contractual agreements. If this is the case, you should be careful that a new plan is not run aground by an employee grievance that leads to binding arbitration or legal action. Districts should avoid piling up grievances under the old contractual system by negotiating specific or general conditions that will improve the implementation of the new system.*
- **Market Forces** — School districts are not immune to the demand and supply of labor in the market place. In school administration, a "buyer's market" usually pertains. Boards and superintendents should consider the short- and long-term impact of market forces, particularly in areas of chronic shortages of skilled people.

A compensation plan should not be hastily developed. Rather it should be a deliberate selection of alternatives chosen after much thought.

*This may be needed procedure in states where administrator bargaining is allowed. The "Management Team" approach, however, is more amenable to changes in compensation plans.

Next Steps

This brief publication could not present all of the detailed steps a school district should take in considering a change in its compensation structure. If by now you have decided that changes may be required, you should undertake more detailed and comprehensive planning to define the problems and gather and analyze the necessary data. The AASA/NSBA publication *Compensating the Administrative Team — Full Report* will explain how to: (1) perform a job content analysis, (2) use a factor appraisal system to rank jobs and salaries by developing a "salary trend line" and (3) gather and interpret critical data about market forces. It will also indicate how to evaluate and select various types of fringe benefits.

BOARD MEMBER

If you are a member of a school board and you believe the current system for compensating your administrative staff needs review, you should:

- discuss the problems of compensation you have noted with other board members and the superintendent
- determine the legal constraints of compensation in your state and obtain legal advice on how to proceed

-
- seek advice and references from your state or national school boards association
 - focus on the key weaknesses of your current plan
 - ask for specific proposals from the superintendent to rectify identified weaknesses
 - ensure that alternative salary plans are costed and feasibility is checked prior to public discussion of the n
 - seek input from the community and staff for your discussions and deliberations
 - select a compensation/benefits plan that reinforces your objectives and rectifies weaknesses in the existing compensation plan
 - adopt an orderly and fair transition plan for employees affected by the changes
 - insist upon periodic reports on the progress of the new plan to alter positively the inhibiting features of the old salary plan

SUPERINTENDENT

If, as the superintendent, you are the one taking the initiative in analyzing the old compensation plan, you should:

- discuss the problems with the board and key staff members
- identify key compensation and benefit plan weaknesses
- insist on obtaining sound legal advice
- use resources of the state and national school administrators associations
- ensure that the staff who are to be involved in developing the plan's alternatives are adequately trained
- ensure a plan of staff awareness and involvement
- appoint key staff members to gather, collate and interpret the data
- properly inform the board, public, and media of the problems and the results of the data gathering activities
- develop an alternative compensation plan that rectifies the weaknesses in the old plan

-
- develop an orderly and fair transition plan
 - file open and candid reports to the board, public and staff about the progress of the new plan in meeting new requirements for compensation

ADMINISTRATIVE PERSONNEL

If, as a member of the administrative team, you have taken the initiative or are in a position to be responsive to the initiative of the superintendent or board, you should:

- bring the weaknesses of the existing compensation plan to the attention of your immediate supervisor
- point out key components involved in planning any change in compensation and the affect it may have on you and your colleagues
- assist in the data gathering activities and respond to job content questionnaires
- provide input on the strengths and weaknesses of each compensation plan studied
- help devise a workable transition plan and time table that ensures equity and fairness to all parties
- file candid reports, orally and in writing, that indicate how well the new plan may be working or not working

CONCLUSION

This publication serves as a reminder and a catalyst that compensation must be a thoughtful process of tailoring compensation (especially salary) to jobs. No approach is perfect, that is, contains no weaknesses. All have strengths and weaknesses. And depending upon what is of paramount importance, a compensation plan can be shaped to reinforce what a board or school district believes is important.

If you feel action should or will be taken in the future in your district regarding administrator compensation, we urge you to obtain a copy of the AASA/NSBA publication *Compensating the Administrative Team — Full Report*.

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